Budgetary assistance for States from foreign countries

1670. DR. MAHESH CHANDRA SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have permitted any State Government to receive "budgetary assistance" from foreign countries;

(b) if so, the States which have been given permission and the countries from which these funds are coming; and

(c) whether there are any pre-conditions to such budgetary assistance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) Under the provisions of the Constitution, the executive powers of a State extend to borrowing only within the territory of India. Also, under the VIIth Schedule of the Constitution, 'Foreign Loans' come under the Union list. Therefore, State Governments cannot receive financial assistance from foreign countries/institutions directly. However, Central Government approaches foreign countries for financial assistance to the States. Out of the bilateral donors, one agreement worth UK Pound 65.00 Million has been signed with DFID(UK) on 6.3.2002 for budgetary support to Government of Andhra Pradesh for the Andhra Pradesh Economic and Public Reform Programme.

Loans to weaker sections of society

†1671. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are considering to issue guidelines for providing loan from banks to weaker sections of society;

(b) if so, whether Government have taken any action, so far, in this regard; and

(c) if so, the details thereof and if not, the reasons thereto?

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†Original notice of the question was received in Hindi.